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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 18, 2011

Gavin Wright
LGL Companies Inc.
PO Box 919
Salem, Utah 84653

Subject: Reclamation Surety Required, LGL Companies Inc., Manila Stone Quarry, S/009/0006, Daggett County, Utah

Dear Mr. Wright:

The referenced Notice of Intent to Commence Small Mining Operations (NOI), received by the Division on December 23, 2010 is complete **with the exception of the reclamation bonding requirement.** Please also submit a Cultural Resource Survey (CRS) and the documentation from the Utah Department of Transportation (UDOT) for the variances requested. The reclamation surety is determined to be either \$ 16,200 for a three year escalation or \$16,300 for a five year escalation. This was determined based on:

Small Mine Operation Bond Calculation Worksheet S/009/0006			
3-year escalation (2013)			
Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$7,400.00	\$7,400.00
Add'l Acres Disturbance	2	\$4,400.00	\$8,800.00
TOTAL	3		\$16,200.00
5-year escalation (2015)			
Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$7,500.00	\$7,500.00
Add'l Acres Disturbance	2	\$4,400.00	\$8,800.00
TOTAL	3		\$16,300.00

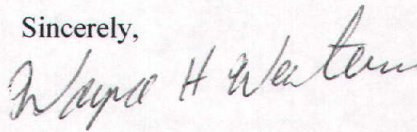
Please submit the reclamation surety and reclamation contract within the next 30 days. No mining related disturbance can be created until the surety is received and approved, and you have received written acceptance from this office as well as other applicable agencies.

Gavin Wright
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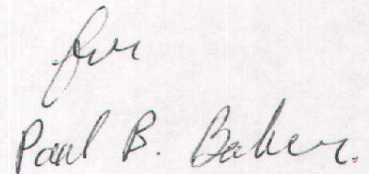
The reclamation surety can be submitted in one of several forms, including, an irrevocable letter of credit, a certificate of deposit, cash or a surety bond. Please contact Penny Berry at (801) 538-5291 or e-mail bondcoordinator@utah.gov for assistance in completing this requirement.

Please contact me at 801-538-5261 or Leslie Heppler at 801-538-5257 if you have any questions regarding this letter. In reply please refer to file number S/009/0006.

Sincerely,



Paul B. Baker
Minerals Program Manager



PBB:lah:pb

cc: SITLA - JBlake@utah.gov
Penny Berry, DOGM

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